

THE ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes—September 11, 2008

Department of Administration

Conference Room B

CALL TO ORDER

Meeting was called to order at 3:30 by Chairman Ryan

Members Present: Andrew Dzykewicz, Christopher Powell, Paul Ryan, Tim Stout, Vic Allienello, Daniel Justynski, Sam Krasnow, and Joe Newsome.

Others Present: Tim Roughan, Jeremy Newberger, Mike Guerard and Karina Lutz

Staff: Janet Keller and Charles Hawkins

Consultant: Scudder Parker (by teleconference)

Acceptance of Minutes: A motion to accept the minutes of the August EERMC meeting as presented was made and accepted.

Executive Directors/Executive Secretary's Report: Andrew Dzykewicz

(Andy D) said there was not much new news. Governor needs to OK Chris Powell as voice chairman

Nation Grid Draft Reliability Plan

Tim Roughan of National Grid offered to give a quick overview of the plan. The plan designed to work with customers helping them manage their load more effectively and combine it with demand response. Got a lot of people interested in the Calvert Street substation Warwick but did not get a lot of contracts but they did work with Grid to reduce load. Also used advanced metering for the first time provided real time data to show what the load was reduced. Except for savvy electric customers it is difficult to get large electric customers to shed load.

Grid has always looked at the larger commercial customers. Did load shed calls in East Bay so they could delay implementation of L-190 Transmission project.. By managing load they got 2 MWs in savings on Aquidneck Island. It is a targeted approach at this time. Spending \$4 million on targeted demo project in Jamestown & Newport to shed load. Hopefully they can change attitudes. It did not work on Nantucket. But six years later people's attitudes have changed and Grid hopes to get better results.

Chris P. asked about Combine power. Did Grid look at not building substation and managing loads.

Tim R. answered that gas distribution has to be upgraded. Some capacity for CHP maybe 200 MWs. But it is expensive, and hard to justify with customers.

It is agreed that the draft plan needs more focus and that an executive summary was needed.

Dan J. talks about educating customers and using smart products that will increase energy efficiency. We will have a more reliable system if the public understands that using smart products will increase energy efficiency.

Andy talks about discussing time of use pricing. He also worries about losing manufacturing in RI.

Discussion about the Upcoming Winter

Chairman Ryan introduced a half hour brainstorming session on the economic of the upcoming winter. What ideas can be generated for action that does not include giving out money.

Joe N. said he would like to hear from staff of OER on any ideas the state would have on how to alleviate the crisis. Janet K. mentioned the unpredictability of funding and cited what occurred in 2007 when the office ramped up its weatherization planning only to have the

low-income funding pulled in the budget crisis.

Chris P. asks about the EERMC's role. Paul R. said the council needs to formulate a plan for a potential emergency this winter.

Joe N. expressed concern over the fact that the state does not appear to be a player, resource wise, in this discussion and that the utilities are expected to provide the resources. Who is going to respond if there is an emergency?

Chris P. asked Scudder P. to clarify the EERMC's role in these discussions. What can the EERMC do?

Scudder P. said that it appeared to him that although legislation does not give the council the power to tax and spend it does give it broad powers to join in these discussions and the power to call for investigations and reviews to get issues out in front of the public. For instance it could take a position that advocates more resources for the OER.

Sam K. said the EERMC could also make recommendations to the General Assembly.

Andy D. talks about the Council being a quasi-stakeholder group that represents all sectors of consumers. What if a coalition, like Tech RI & the Chamber of Commerce establish a position opposed to the

EERMC, who does the PUC listen to?

Joe N. said that the EERMC has to find a way to give a voice to those consumers who would not usually be heard.

Chris P. asked where the EERMC gets its input from. Paul R. said the Council could try to get more public input.

RGGI Spending Plan

Chairman Ryan moved on to the next agenda item the RGGI funding plan.

Andy D. said that because of resource constraints the OER had not come up with a draft plan yet. He hopes to speak with the Governor about it this week. One of the things being contemplated is using most of the funds for weatherization which he feels is energy efficiency. He then explained the auction process.

Andy D. is very worried about this winter and feels any energy efficiency measures that can be implemented could save people from losing their homes.

Tim S. mentioned that Massachusetts is currently holding hearings on the upcoming winter and has established a heating task force.

Andy D. stated that the October Auction will not provide that much funding because RI and nine other states owe money to NY for fronting the funds needed to get the RGGI process going. He also mentioned that the RGGI process is being challenged in court by two power generators and this may tie up the process.

Chris P. said they we have a short term crisis that needs funding. Do we recommend to the General Assembly to bond for this money? Can the EEMC do this?

It was suggested that RGGI funds be used to pay back the bond. Andy D. expressed concern about spending all of the RGGI funds on this. He said that OER did an estimate of what it would cost to get low income population through this winter and came up with a figure of \$40 million

Andy D. worries about a snowball effect where paying an extra \$200 a month may be enough for people to lose their homes. At the next level people who can afford to pay higher energy costs will have less disposal income and that could adversely influence small retail businesses. It is a problem you can't buy your way out off.

Vic A. expressed concern about a potential supply problem if we have a cold October.

Sam K. talked about a proposal in Massachusetts where the SBC would apply to heating oil uses for energy efficiency He offered to

work with Vic and Scudder to get a proposal together to submit to the Assembly in early January similar to the one in Massachusetts.

Sam K. said that because RGGI effects electric power generator the funds should be used for electric energy efficiency. Therefore it may make sense to use RGGI funds to offset the rise in the SBC to ratepayers from 2 mils in 2008 to 5.3 mils in 2011.

Andy D. expressed concern again about LCP costing more for consumers.

Paul R. asked if there was any other business

Scudder P. said that he would work with Grid before the next meeting to fine tune the System Reliability Plan to be presented at the October meeting. Paul R. asked that it be made as simple as possible.

Joe N. suggested that the EERMC allow ten minute at the end of each meeting for comments from the public. He also suggested the OER make a presentation on low-income heating plans.

Karina Lutz then asked to speak. She said the council has to find a way to fund LCP. She would like to see problem solving and a proposal to keep the momentum of energy efficiency on track. If we could pass the 2006 energy Act, that mandated LCP we should be able to implement it.

Chairman Ryan called the meeting to a close at 5:45 PM